

**UNAPPROVED
MINUTES OF THE REGULAR MEETING OF THE
ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY
Wednesday, April 6, 2011**

The meeting convened at 7:47 p.m. with Chair Gilmore presiding.

1. ROLL CALL

Present: Board Members Bonta, deHaan, Johnson, Tam and Chair Gilmore – 5.

Absent: None.

2. ORAL COMMUNICATIONS, NON-AGENDA (PUBLIC COMMENT)

None.

3. CONSENT CALENDAR

(*11-032) Approve the Minutes of the Regular ARRA Meeting of March 2, 2011, Minutes of the Special Joint City Council/ARRA/Community Improvement Meetings held on March 15, 2011.

(*11-033) Approve a Waiver of License Fees for Pacific Skyline Council and BSA Sea Scouts - Ancient Mariner Regatta.

(*11-034) Approve the Proposed Sale of Two Grove Cranes to NRC Environmental Services.

(*11-035) Authorize the ARRA Port Manager, NRC Environmental Services, to Replace the Pier 2 Fendering System in an Amount Not to Exceed \$260,000.

(*11-036) Authorize PM Realty Group to Enter into a Contract with Scott Electric for Pier 3 Electrical Upgrades at Alameda Point for a Contract Not to Exceed \$238,266 Using Remaining ARRA Bond Funds.

Member Tam moved for approval of the Consent Calendar. Member Johnson seconded the motion, which carried by unanimous voice vote – 5. [Items so enacted or adopted are indicated by an asterisk preceding the paragraph number.]

Chair Gilmore moved Item 7-A to be the first item discussed under the Regular Agenda Items.

4. REGULAR AGENDA ITEMS

(11-037) Alameda Point Commercial Market Assessment.

The Deputy City Manager gave a presentation focusing on Alameda and East Bay market conditions and the implications for Alameda Point and its redevelopment, strictly to provide a market overview and not a development strategy, to determine the state of the market as it exists today.

John McManus, senior director of Cushman & Wakefield was available to answer questions. Chair Gilmore expressed concern that implementing a long term lease strategy that is niche-focused will take as long as implementing a development plan.

Mr. McManus replied that a reuse strategy is different than a build-to-suit strategy, stating that it is important that it is clearly defined what is available. Advised a strategy to show potential office buildings with a potential floor plan and be able to explain to potential tenants that all risks have been removed and understand what can be delivered.

Chair Gilmore clarified that in order to effectively market Alameda Point, money needs to be spent upfront to determine concept buildings or concept plans apart from what the master plan ends up being. Mr. McManus agreed with Chair Gilmore, stating that there needs to be a clear definition, and if it is left to the potential tenants to figure out, in an environment where there is so much vacancy, chances are that Alameda Point will not get their attention unless it's a very unique use with a big footprint.

Member Tam inquired about the element of competition in the marketplace, asking what kind of recommended capital outlay is needed for Alameda Point to have a competitive edge. Mr. McManus stated that the good competitive news is that redevelopment and enterprise zones are not going to be competitors for Alameda Point.

Joe Ernst, SRM associates, added that there is so much obsolescence of space - there is no longer a need for more plain office space -- and it is a function of understanding the market for spaces and uses that cannot be developed elsewhere, and aligning with the right team to develop it. Vice Chair Bonta inquired if there are market segments performing differently than the market trends. Mr. Ernst replied that those segments with superior performance include life sciences, such as the LBNL opportunity, light industrial, and R&D flex space.

The Deputy City Manager – Development Services stated that the next step will involve doing more research and return to the Board with ideas or strategies.

Chair Gilmore thanked the Deputy City Manager– Development Services and staff for the overview.

(11-038) Review and Comment on Summary Report for the Community Planning Process for Alameda Point.

The Planning Services Supervisor and the Deputy City Manager– Development Services gave a presentation on the Community Planning Process.

Speakers: Elizabeth Krase Greene, Adam Gillitt, Nancy Gordon, Gretchen Lipow, Helen Sause, Carol Gottstein, Susan Galleymore, Nancy Hird.

Chair Gilmore commented that she is looking forward to be able to discuss the financial feasibility of the Alameda Point project with the public so the community can understand how much it will cost to develop Alameda Point. In the past, since the developer was running a pro forma, a lot of costs were not able to be shared with the public. Chair Gilmore stated that certain costs are inescapable, no matter what is developed: infrastructure costs between \$600M - \$800M.

Member Tam concurred with Chair Gilmore and added that economic underpinnings are critical at Alameda Point. Member Tam and Chair Gilmore expressed their appreciation to staff and the community for all their time and effort in the Community Planning Process.

5. ORAL REPORTS

(11-039) Oral Report from Member deHaan, Restoration Advisory Board (RAB) Representative – Highlights of March 3, 2011 RAB Meeting.

Member deHaan reported that the RAB discussed the San Francisco Estuary Regional Monitoring program, a program that monitors 22 water sites in bay, and 47 sediment sites. The RAB would like the program to take on one area of Alameda Point to monitor. The OU2A site, adjacent to Encinal High School, was also discussed. Surface remediation was done, and final remediation will be completed. Tomorrow's meeting (3/4) will include an update on the Seaplane Lagoon.

6. ORAL COMMUNICATIONS, NON-AGENDA (PUBLIC COMMENT)

None.

7. EXECUTIVE DIRECTOR COMMUNICATIONS

(11-040) Update on Lawrence Berkeley National Laboratory Second Campus Request for Qualifications.

The Deputy City Manager-Development Services gave a presentation on the LBNL Campus opportunity.

Representatives from the development teams introduced themselves to the Council: Joe Ernst, SRM; Mary Pampuch, Lankford & Associates, Inc.

Speakers: Robert Todd

Member Tam inquired whether any of the 21 applicants that had responded have the same type of potential development partner in RFQ process, in particular inquired if Alameda's partners are unique to Alameda.

The Deputy City Manager-Development Services responded that to her knowledge, the other sites are already owned by developers or have already teamed with private property owners; the other applicants did not go through an RFQ process for a developer like Alameda, and none of the other teams are teamed with the other sites.

Vice Chair Bonta inquired when the announcement of the short list will be made and how short is the short list. The Deputy City Manager-Development Services replied that the call can come through at any time now and that three on the short list is reasonable. Member Tam inquired if there was any value to engaging legislators. The Deputy City Manager-Development Services stated that letters have been sent to Stark and Swanson, but recommends waiting until the short list comes out before Alameda starts lobbying.

Chair Gilmore thanked staff for the update and thanked the representatives from the development teams for attending and introducing themselves to the Board.

8. REFERRALS FROM THE GOVERNING BODY

None.

9. COMMUNICATIONS FROM THE GOVERNING BODY

None.

10. ADJOURNMENT

There being no further business, Chair Gilmore adjourned the meeting at 11:16 p.m.

Respectfully submitted,

Irma Glidden
ARRA Secretary

UNAPPROVED
MINUTES OF THE SPECIAL MEETING OF THE
ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY
Tuesday, May 17, 2011

The meeting convened at 9:22 p.m. with Chair Gilmore presiding.

1. ROLL CALL

Present: Board Members Bonta, deHaan, Johnson, Tam and Chair Gilmore – 5.

Absent: None.

2. REGULAR AGENDA ITEMS

(11-043) Approve Letter of Understanding with Mission Bay Development Group/Edgemoor Real Estate Services as the Preferred Developer for the Lawrence Berkeley National Laboratory Second Campus at Alameda Point Selection Process.

The Deputy City Manager-Development Services summarized the developer selection process for the LBNL RFQ second campus, stating that on May 9, Alameda Point was one of six sites selected for the short list, out of a total 20. As part of the short list/final selection process, candidate sites are required to have a development team. The ARRA issued an RFQ for developers on February 3rd and received seven responses. After an internal staff review of the seven responses, staff interviewed five teams and short-listed three highly qualified firms: Lankford & Associates with Phelps Development, Mission Bay Development Group (MBDG) Tamed with Edgemoor Real Estate Services, and SRM Associates with BioMed Realty Trust, Inc. Based on its internal review and selection process, staff decided to recommend the MBDG/Edgemoor Team as the preferred developer for the Second Campus at Alameda Point.

Chair Gilmore asked staff and future developer to address the financial aspect of the project.

The Deputy City Manager-Development Services stated that, as part of the RFQ, LBNL/UC plan to self-finance the development but are also interested in considering third party financing. There may be gaps, as it is not yet certain if LBNL/UC will finance 100%, but staff will work creatively with LBNL/US to work out the finance details, adding that part of the submittals will be cost estimates.

The MBDG/Edgemoor team introduced themselves to the Board and expressed their excitement to be selected as the development team for the LBNL project: Seth Hamalian, Managing Principal, Mission Bay Development Group, Phil Owen, President, Mission Bay Development Group, and Steve Dell'Orto, Vice President, Clark Construction.

In response to Chair Gilmore's question about the financial aspect of the development, Mr. Hamalian explained that the team came together as group due to their experience working with UC to develop mechanisms for creative financing structures.

Member Johnson and Vice-Chair Bonta expressed that the community shares the team's excitement, are looking forward to partnering with them and thanked the team for all the assets brought to the project.

Member Tam inquired about key members and former Catellus employees on the development team, requesting a highlight of the key members.

Mr. Hamalian stated that in addition to MBDG/Edgemoor, HDR Architects are involved from a design standpoint, Edgemoor is the development arm of Clark Construction and involved on the vertical side, Perkins & Will are involved in the design master planning, BKF Engineers on infrastructure, and Treadwell & Rollo for environmental and geotechnical engineering. Mr. Hamalian also stated that the team staff is comprised of approximately 15 former Catellus employees.

Member deHaan moved for approval of the Consent Calendar. Vice Chair Bonta seconded the motion, which carried by unanimous voice vote – 5. [Items so enacted or adopted are indicated by an asterisk preceding the paragraph number.]

3. ADJOURNMENT

There being no further business, Chair Gilmore adjourned the meeting at 9:50 p.m.

Respectfully submitted,

Irma Glidden
ARRA Secretary